

AMENDED IN SENATE MAY 20, 2014
AMENDED IN ASSEMBLY MARCH 20, 2014
CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1575

**Introduced by Assembly Member Pan
(Coauthor: Assembly Member Achadjian)**

January 30, 2014

An act to add ~~Section 10377 to the Public Contract Code~~ *Section 19139 to the Government Code*, relating to ~~public contracts; personal services contracts.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1575, as amended, Pan. ~~Public contracts for services; reports; termination of service contracts. Personal services contracts; reports and termination of contracts.~~

The California Constitution establishes that the civil service includes every officer and employee of the state, except as otherwise provided in the California Constitution, and requires civil service appointment to be made under a general system based on merit ascertained by competitive examination.

The State Civil Service Act establishes standards for the use of personal services contracts by state agencies and authorizes personal services contracts when prescribed conditions are met.

Existing law sets forth requirements for the acquisition of goods and services by state ~~agencies; agencies and~~ sets forth the various responsibilities of the Department of General Services and other state agencies in overseeing and implementing those state contracting procedures and ~~policies, and provides that a willful violation of its~~

~~provisions for which another punishment is not provided is a misdemeanor. policies.~~

This bill would require ~~contracts for personal services~~ *personal services contracts* to include specific performance criteria and cost parameters, require reports by the contractor, and provide for cancellation by the *state* contracting agency if the contractor fails to comply with contract requirements or the law, as specified.

~~By expanding the definition of an existing crime, this bill would impose a state-mandated local program.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: ~~yes~~*no*.

The people of the State of California do enact as follows:

1 SECTION 1. Section 19139 is added to the Government Code,
2 to read:

3 19139. Any personal services contract shall incorporate
4 specific performance criteria and cost parameters, and the
5 contractor shall submit quarterly reports to the state agency's
6 contracting official on the contractor's compliance with the
7 performance criteria and actual amounts billed to the state agency.
8 The personal services contract may be canceled if the contractor
9 fails to comply with the performance criteria and other
10 requirements set out in the contract and if annual charges exceed
11 those established by the contract. The personal services contract
12 may be canceled at any time if the contractor fails to comply with
13 all applicable local, state, and federal laws, regulations, and
14 statutes related to the contract.

15 SECTION 1. ~~Section 10377 is added to the Public Contract~~
16 Code, to read:

17 ~~10377. Any service contract shall incorporate specific~~
18 ~~performance criteria and cost parameters, and the contractor shall~~
19 ~~submit quarterly reports to the state agency's contracting official~~
20 ~~on the contractor's compliance with the performance criteria and~~
21 ~~actual amounts billed to the state agency. The service contract may~~

1 be canceled if the contractor fails to comply with the performance
2 criteria and other requirements set out in the contract and if annual
3 charges exceed those established by the contract. The contract may
4 be canceled at any time if the contractor fails to comply with all
5 applicable local, state, and federal laws, regulations, and statutes
6 related to the contract.

7 ~~SEC. 2. No reimbursement is required by this act pursuant to~~
8 ~~Section 6 of Article XIII B of the California Constitution because~~
9 ~~the only costs that may be incurred by a local agency or school~~
10 ~~district will be incurred because this act creates a new crime or~~
11 ~~infraction, eliminates a crime or infraction, or changes the penalty~~
12 ~~for a crime or infraction, within the meaning of Section 17556 of~~
13 ~~the Government Code, or changes the definition of a crime within~~
14 ~~the meaning of Section 6 of Article XIII B of the California~~
15 ~~Constitution.~~